

Parliament: States Still Owe Federal Government RM82.5 Billion, Dewan Negara Told
Bernama
December 15, 2011

KUALA LUMPUR, Dec 15 (Bernama) -- Outstanding state debts to the federal government from 2006 to 2010 stands at RM82.530 billion, the Dewan Negara was told Thursday.

Deputy Finance Minister Datuk Dr Awang Adek Hussin said the total debts for 2006 was RM14.870 billion, 2008 (RM17.767 billion), 2009 (RM18.155 billion) and RM15.565 billion last year.

Loans channelled to state governments were for development projects to raise the living standard of the people and these included clean water supply, low-cost housing, sewage disposal systems and provision of infrastructure for industries, he said when replying to a question from Senator Dr S.Ramakrishnan.

Awang Adek said among the steps taken to recover the debts were issuing six-monthly reminder notices before the loans matured as well as two months notice prior to maturing of the facilities.

He said failure to repay the loans would result in new loans being held back until the states concerned submitted a schedule for repayment or asked for restructuring of the loans.

He added that deductions would also be made to annual grants to states as a means of recovering the debts.

---BERNAMA

Copyright © 2011 BERNAMA

Source: <http://www.bernama.com/bernama/v5/newsindex.php?id=634433>